

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

THE NOTICE OF PURCHASED GAS)
ADJUSTMENT FILING OF COLUMBIA) CASE NO. 9003-E
GAS OF KENTUCKY, INC.)

O R D E R

On October 18, 1984, the Commission issued its Order in Case No. 9003 approving certain adjustments in rates and providing under certain conditions for the further adjustment of such rates when the wholesale cost of gas is increased or decreased or a refund is received.

On July 3, 1985, Columbia Gas of Kentucky, Inc., ("Columbia") notified the Commission that its wholesale cost of gas would be decreased by its supplier, Columbia Gas Transmission Corporation ("Transmission"), and submitted with its notice certain information in compliance with its purchased gas adjustment clause on file with this Commission.

After reviewing the record in this case and being advised, the Commission is of the opinion and finds that:

1. Columbia's notice of July 3, 1985, set out certain revisions in rates which Columbia proposed to place into effect, said rates being designed to pass on the wholesale decrease in price from its supplier in the amount of \$9,669,482 or 47.4 cents per Mcf.

2. On June 14, 1985, the Federal Energy Regulatory Commission approved the settlement negotiated in Docket No. TA 81-1-21-001, et al. As a result, Transmission will begin applying reduced rates to its customers July 1, 1985.

3. Columbia proposed an effective date of July 4, 1985, for its proposed rates. The actual effective date should be July 1, 1985, to coincide with the effective date of Transmission's reduced rates.

4. Pursuant to the Commission's October 18, 1984, Order in Case No. 9003, the rate in Rate Schedule IUS has been set as the weighted average cost of gas plus two cents.

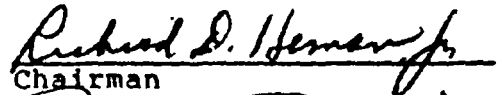
5. Columbia's adjustment in rates under the purchased gas adjustment provisions approved by the Commission in its Order in Case No. 9003, dated October 18, 1984, is fair, just and reasonable and in the public interest and should be effective with gas supplied on and after July 1, 1985.

IT IS THEREFORE ORDERED that the rates in the Appendix to this Order be and they hereby are authorized effective with gas supplied on and after July 1, 1985.

IT IS FURTHER ORDERED that within 30 days of the date of this Order Columbia shall file with this Commission its revised tariffs setting out the rates authorized herein.

Done at Frankfort, Kentucky, this 9th day of July, 1985.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Secretary

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 9003-E DATED JULY 9, 1985.

The following rates and charges are prescribed for the customers served by Columbia Gas of Kentucky, Inc. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the date of this Order.

GENERAL SERVICE RATE SCHEDULE - GS Residential

Customer Charge:

\$3.25 per delivery point per month

Commodity Charge:

First 50 Mcf per month @ \$5.490 per Mcf

All Over 50 Mcf per month @ \$5.306 per Mcf

GENERAL SERVICE RATE SCHEDULE - GS-Commercial and Industrial

Customer Charge:

\$5.50 per delivery point per month

Commodity Charge:

First 200 Mcf per month @ \$5.738 per Mcf

All Over 200 Mcf per month @ \$5.591 per Mcf

RATE SCHEDULE FC-1

FIRM AND CURTAILABLE GAS SERVICE - OPTIONAL

Firm Volume (Daily Firm Volume Times Number of Days in Month)

First 1,000 Mcf per month @ \$5.653 per Mcf

Over 1,000 Mcf per month @ \$5.603 per Mcf

Curtable Volume

\$5.454 per Mcf of Curtable Volume of gas
delivered hereunder each billing month.

AVAILABILITY OF EXCESS GAS

In the event Buyer shall desire to purchase on any day gas in excess of Buyer's specified Maximum Daily Volume, Buyer shall inform the Seller and if the Seller is able to provide such excess gas required by Buyer from its operations, Seller shall make such excess gas available at the rate of \$5.454 per Mcf.

If such excess gas cannot be made available to Buyer from Seller's own operations, Seller may comply with such request to the extent that excess gas is temporarily available from Seller's gas supplier, in order to provide gas which otherwise would not be available. Such excess volume taken shall be paid for at the rate of \$4.28 per Mcf.

On any day when Buyer has been notified to curtail deliveries, Buyer may request excess gas and to the extent such excess gas can be obtained from Seller's supplier, Buyer shall pay Seller at the rate of \$4.28 per Mcf for all such volumes taken which would otherwise not be available.

RATE SCHEDULE FI-1

FIRM AND INTERRUPTIBLE GAS SERVICE - OPTIONAL

Daily Firm Volume

First 5,000 Mcf per month @ \$5.583 per Mcf

Over 5,000 Mcf per month @ \$5.552 per Mcf

Daily Interruptible Volume

\$5.372 per Mcf of Daily Interruptible Volume of gas delivered hereunder each billing month.

AVAILABILITY OF EXCESS GAS

In the event Buyer shall desire to purchase on any day gas in excess of Buyer's specified Maximum Daily Volume, Buyer shall inform the Seller and if the Seller is able to provide such excess gas required by Buyer from its operations, Seller shall make such excess gas available at the rate of \$5.372 per Mcf.

If such excess gas cannot be made available to Buyer from Seller's own operations, Seller may comply with such request to the extent that excess gas is temporarily available from Seller's gas supplier, in order to provide gas which otherwise would not be available. Such excess volume taken shall be paid for at the rate of \$4.28 per Mcf.

On any day when Buyer has been notified to curtail deliveries, Buyer may request excess gas and to the extent such excess gas can be obtained from Seller's supplier, Buyer shall pay Seller at the rate of \$4.28 per Mcf for all such volumes taken which would otherwise not be available.

RATE SCHEDULE IS-1
INTERRUPTIBLE GAS SERVICE - OPTIONAL

Billing Months April Through November

\$5.742 per Mcf for all volumes delivered each month up to and including the Average Monthly Winter Volume. The Average Monthly Winter Volume shall be one-fourth of the total delivery during the preceding billing months of December through March.

\$5.342 per Mcf for all volumes delivered each month in excess of the Average Monthly Winter Volume.

Billing Months December Through March

\$5.742 per Mcf delivered.

RATE SCHEDULE IUS-1
INTRASTATE UTILITY SERVICE

For all gas delivered each month \$4.576 per Mcf.

MINIMUM MONTHLY CHARGE

The maximum Daily Volume specified in the Sales Agreement multiplied by \$4.576 per Mcf.

The base rates for the future application of the purchased gas adjustment clause are:

Columbia Gas Transmission Corporation

<u>Zone 1 and Zone 3 rate per DTH</u>	<u>Demand</u>	<u>Commodity</u>
Schedule CDS	\$ 5.874	\$3.60
Schedule WS		
Demand	\$2.109	
Winter Contract Quantity	4.82¢	

Columbia LNG Corporation

LNG - Rate per DTH \$ 3.55

Inland Gas Company

All Purchases - Rate per Mcf \$ 3.4221